THE HON'BLE SRI JUSTICE GODA RAGHURAM

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W.P.NO.3305 OF 2006

Between:

G.V.Lakshmi wife of Satyanarayana

…Petitioners

vs.

The Authorised Officer, S.B.I, Rajahmundry.

…Respondent.

THE HON'BLE SRI JUSTICE GODA RAGHURAM

W.P.NO.3305 OF 2006

ORAL ORDER

There is no legal foundation for the relief sought in this writ petition.

The petitioner's husband for the purposes of his business pursued under the name

and style of M/S. Maheswari Fishnets Private Limited obtained a loan from the State Bank of India, Innispeta, Rajahmundry, secured by the mortgage of his properties. He obtained a loan of Rs.19 lakhs as a term loan during 2003 and obtained a further overdraft facility of Rs.8 lakhs also in 2003. He paid certain amounts but admittedly defaulted in the repayments. On the default by the petitioner's husband, the respondent-Bank moved for sale of the security-interest under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act,2002(for short " the Act").

When the movable property and machinery mortgaged by the petitioner's husband to the Bank was proposed to be auctioned by an auction-cum-tender notification dated 27-12-2005, the petitioner's husband in his own name and in the name of the Company filed W.P.No.1364 of 2006 and by the order of this Court dated 27-01-2006 in WPMP No.1625 of 2006 therein, obtained interim stay of the impugned auction subject to the condition of depositing half of the amount demand.

Admittedly the petitioner has also offered her property of 64 square yards together with a residential building bearing Door No.45-31-36/1, MGC Complex, Thaditota, Rajahmundry towards collateral security towards the loan obtained by her husband from the respondent-Bank. As the petitioner's husband successfully interdicted the proceedings of the Bank under the Act,2002 by the proceedings instituted in this Court referred to above, the respondent-Bank has issued the impugned notification dated 08-02-2006 informing the petitioner that the security offered by the petitioner of her properties has been taken constructive possession of by the Bank and the Bank would now proceed further with the sale of the property.

The singular contention of the petitioner in this writ petition is that as this Court had by an interim order dated 27-01-2006 interdicted the auction of the property of the petitioner's husband, which was also the security-interest to the loan obtained by her husband from the respondent-Bank, the Bank is disabled to proceed against the petitioner's properties which are also admittedly offered as collateral security. This is a contention that is stated to be rejected.

The writ petition is misconceived and is accordingly dismissed.

GODA RAGHURAM,J

23rd FEBRUARY 2006

*TSNR